

**GOVERNMENT OF INDIA
SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA**

UNSTARRED QUESTION NO:1822

ANSWERED ON:26.07.2017

Closing of NSDC

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Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

- (a) whether the Government proposes to close the National Skill Development Corporation (NSDC);
- (b) if not, the reasons for not issuing allotment numbers to the training partner/ VTP till date by the Government;
- (c) the reasons for not approving the new proposals along with the reasons for not paying the fees to the training partners/ VTPs for providing training to students; and
- (d) the policy of the Government in this regard?

Answer

(a) NSDC is a Public Private Partnership Company set up as part of a National Skill Development Mission to fulfill the growing need in India for skilled manpower across sectors and narrow the existing gap between the demand and supply of skills. NSDC provides funding to build scalable, vocational training initiatives. Its mandate is also to enable support systems such as quality assurance, information systems and train the trainer academies either directly or through partnerships. NSDC acts as a catalyst in skill development by providing funding to enterprises, companies and organisations that provide skill training. There is no proposal of the Government to close the National Skill Development Corporation (NSDC).

(b) to (d) The Ministry of Skill Development and Entrepreneurship has Pradhan Mantri Kaushal Vikas Yojana which is the largest skill development scheme of the Government targeting to train one crore youths in four years. After reviewing PMKVY, it was observed that deviation in target allocation process has lead to overshooting of State and Sectoral ceiling of targets. This resulted in a temporary hold on target allocation in few State/Sectors namely the State of Uttar Pradesh, Rajasthan and Haryana and Sectors of Apparel, Electronics, IT-ITeS, Telecom and Banking Financial Services Insurance.

As per PMKVY (2016-20) guidelines only first level franchising is allowed and franchisee centers will be given lower priority and it is planned to gradually phase out franchisee agreements. During monitoring visits, it was observed the compliance to scheme guidelines was significantly lower in case of franchisee centers as compared to Training Provider Owned centers. In view of this Ministry has decided to provide a pathway for all franchisees to become Training Providers, thus converting franchisee centers under PMKVY into Training Provider Owned centers. Further, no new franchising center will be allowed under the scheme.